REMARKS

In the Office Action, the Examiner noted that claims 15-55 are pending in the application, and that claims 15-55 are rejected.

By this Amendment, no claims have been added or cancelled. Therefore, claims 15-55 are pending in the application.

Applicant appreciates the Examiner's withdrawal of all previous rejections, including the previous obviousness rejection. As discussed below in detail, Applicant respectfully submits that the **newly cited publication Pakes is not relevant** to the present application. In addition, the newly cited publication is not combinable with the previously cited patent Hough, and even if combined, the resulting combination does not show or suggest the combination of limitations recited in the claims.

The Examiner's rejections are traversed below.

Rejection Under 35 U.S.C. Section 103

Claims 15-55 stand rejected under 35 U.S.C. Section 103 as being unpatentable over Hough (U.S. 5,414,621) combined with Ariel Pakes, Patents As Options: Some Estimates Of The Value Of Holding European Patent Stocks, Journal Of The Econometric Society, Vol. 54, No. 4 (July, 1986), 755-784 ("Pakes"). Applicant respectfully traverses these rejections.

Applicant has addressed the present rejections along the following lines:

I. The Examiner Has Failed to Cite a Relevant Prior Art Reference

II. The Examiner Has Failed to Show Any Reasonable Expectation of Success

III. The Examiner Must Provide Patentable Weight to All Claim Limitations

IV. Prior Art Teaches Away from Examiner's Proposed Combination

V. Invention Still Patentable Over Examiner's Proposed Combination

I. The Examiner Has Failed to Cite a Relevant Prior Art Reference

Without conceding that Hough and Pakes discloses any of the elements, and/or combination of elements in the presently claimed invention, or any of the claimed features for that matter, the Examiner's statement that Pakes and/or Hough discloses one or more individual features of the present invention is respectfully traversed.

Applicant incorporates by reference the previous arguments with respect to the shortcomings of Hough from the previous Amendment; however, certain arguments may be repeated for the convenience of the Examiner.

Applicant initially submits that the **newly cited publication Pakes is not relevant** to the present application. Specifically, **Pakes is significantly different than the present invention because Pakes does not value the intellectual property, but determines whether maintenance fees should be paid FOR the intellectual property based on** finding **additional uses of the patents** that might create additional returns that justify paying renewal fees. Accordingly, for this reason alone, Applicant respectfully submits that the rejection under 35 U.S.C. Section 103, must be withdrawn, and such action is respectfully requested.

II. The Examiner Has Failed to Show Any Reasonable Expectation of Success

Applicant respectfully submits that the Examiner has failed to show any reasonable expectation of success with respect to the prior art cited in the rejection.

Specifically, in the Office Action, the Examiner contends that the article Pakes states on Page 755 – "This paper presents and then estimates a model, which allows us to recover the distribution of returns from holding patents at each age over the lifespan of patents **from information on patent renewals**." However, this statement has nothing to do with the combination of limitations in the presently claimed invention. In addition, Pakes states on page 756 – "Methodologically, **the major innovation in this paper is that it does not assume that the sequence of returns that will accrue to the patent if it is to be kept in force is known with certainty at the time the patent is applied for**."

In addition, on page 780 Pakes states: " **For individual economic units we would expect most increases in patents not to lead to any increase in profits, and for there to be an occasional jump in profits which is not necessarily preceded by any increase in patenting."** Thus, Pakes does not even correlate profits to the patent value, which shows that Pakes is not even related to determining the value of the intellectual property portfolio.

Thus, Applicant respectfully submits that Pakes is directly counter to the presently claimed invention.

The Examiner states on Page 4 of the Office Action: "Pakes explains the value of patent protection and parameters involved in determining the worth and value of a patent portfolio."

Applicant respectfully disagrees. Pakes has nothing to do with the value of intellectual property or parameters used to estimate the value of the intellectual property itself. Rather, Pakes states: "This paper presents and then estimates a model, which allows us to recover the distribution of returns from holding patents at each age over the lifespan of patents **from information on patent renewals.**" Thus, Pakes works in the **reverse direction**, and uses the fact that patent owners have decided to pay renewal fees as a way of estimating the return from the patents, because Pakes assumes that Patent Owners will pay the renewal fees only when there will be an expected return from the patent. Thus, according to at least one embodiment of the invention, Pakes does not value the intellectual property based on objectively determinable characteristics of the intellectual property.

The Examiner further states on Page 4 of the Office Action: "Other factors to be applied in determining the value of the intellectual properties or patents would have been the types of subject, the class of the patent, the related class/subclass of the patent or the related classes/subclasses searched by the Examiner." However, there is nothing in this section of Pakes that relates to this statement by the Examiner. Accordingly, Applicant respectfully requests the Examiner to provide additional detail supporting this aspect of the rejection. Specifically, Applicant requests the Examiner to provide a prior art reference describing these "other factors" in the context of intellectual property valuations or an affidavit under 37 C.F.R. Section 1.104(d)(2) providing details of why it would have been obvious. In the absence of either, Applicant requests withdrawal of this rejection.

In addition, **Pakes proposes a convoluted valuation method based on option pricing, and admits that the information provided therein is not sufficiently enabled**. For example, Page 20 states:

In addition, Applicant re-asserts the previous arguments with respect to Hough:

For example, the Examiner's statement on page 3 of the Office Action that Hough discloses "objectively determinable values forming a baseline," **is incorrect**. **Nowhere** in Hough is there mentioned the utilization of the objectively determinable values to form a baseline as part of the real estate subject. (Column 4, lines 7-15; and line 57 - Column 5, line 11; Column 2, lines 20-24). These are the specific passages of Hough cited by the Examiner:

To take into account appreciation for recently sold comparable properties, an average appreciation is obtained **of the area in which the subject and comparable properties are located**.

Turning to FIG. 2, a general outline of the steps according to the present invention are shown. The first step which is necessary in the first embodiment is **to identify comparable property (recently sold and currently for sale) in the same tax district and class (and hence same tax rate) as the subject property**, shown at step 20. This may be done through the use of the table of data stored in the storage bank 17, as will be explained hereinafter, or by "in-the-field" investigations. **It is preferable, but not necessary, that the comparable properties be in the same general location or neighborhood, and perhaps even the same street, to serve as the best "comparable properties".** Next, in step 22, the property information including assessment data and property data for the comparable properties are accessed. The assessment data may be obtained directly by accessing the database 18, or tax assessment records for a particular jurisdiction. Next, the user inputs the assessment data and property data for the subject property in step 24 and then for the comparable properties in step 26. In sum, the total of the assessment data and property data includes a wide variety of information (FIG. 4) including the address of the property; property tax information including total property tax, "assessed value" and/or "phase value" FFBC and any other special taxes; features of the property; sales data for the comparable properties (if sold) and number of months since the sales contract for sold properties. Again, the data in steps 24 and 26 may be obtained directly from the database 18. Reference is made hereinafter to FIGS. 4-11 which illustrate the manner in which the data of the subject and comparable properties is manually entered. In addition, a user can obtain and input average appreciation rates from the recently sold properties, the purpose of which is described hereinafter.

Then, as shown at step 28, the assessment analysis process is implemented in which the **comparative values of the comparable properties are computed based on the assessment percentage and average appreciation information for the comparable properties, and the assessment percentage for the subject property**. **This is the process of the present invention** and will be described in greater detail hereinafter with reference to FIGS. 3, 14 and 17.

Adjustments to the comparative values may be made in step 29 to take into account the presence of any home improvements made after the tax assessor set the value of the property or other factors including sale terms. The amount of the adjustment value depends on the type of home improvement and is generally set to the current market price to incorporate that feature in a newly built home.

Next, in step 30, the averages of the comparative values for the sold and for sale comparative properties are computed, as well as the "high" and "low" values. The "high value" is set to be five percent above the average value and the

"low" value is set to be two percent below the average value, to account for better than average condition property and worse than average condition property, respectively, and to allow negotiating room. These percentages may be adjusted by the user. Banks and appraisers may not adjust.

In step 31 the comparative values for each comparable property together with the other information (average, "high" and "low" values), is printed out so that in step 32, the user may use the comparative values to set the value of the subject property.

Comparative valves may be generated for each assessment percentage value available in the jurisdiction and results compared with each other, as shown by step 34. Depending on the differences between the values, further "on site" or other investigation of the property may be appropriate.

As is apparent form the above passages, **Hough fails to disclose** any "baseline." In addition, in the above passage, Hough requires that the comparison of real estate be in the "**area in which the subject and comparable properties are located.**" Applicant respectfully submits that **the Hough comparison is not related** to the claimed "first objectively determinable characteristics of representative intellectual property portfolios and objectively determinable values corresponding to each of the representative intellectual property portfolios."

In addition, the Examiner's statement that Hough shows "deriving first information representing the second objectively determinable characteristics of the intellectual property" **is also incorrect**. That is, the Examiner has not provided any citation to Hough, and Hough **merely discloses the use of property taxes or phase value** (standard accounting tools) as described below in detail. This type of use of accounting variables has no place in an intellectual property valuation. See Hough (Column 8, lines 34-63; Column 7, lines 43-60):

> FIGS. 12 and 13 illustrate the print outs of the comparative values of each comparable property, with respect to the subject property. FIG. 12 is a print out showing the computed information **such as base tax, price/tax factor, net value, and the ultimate comparative value for each of the comparable sold properties**. In this example, it is seen that the base tax of the subject property is $1202, whereas the base taxes for the comparable properties are slightly higher. FIG. 13 illustrates the comparative values generated for comparable property not sold (for sale) in the area. The final numbers for the sold properties may be compared to those for the unsold properties to determine which properties may be overpriced or underpriced that are currently on the market. Attention should be paid to the underpriced properties for sale to determine why the property may be underpriced, when considering its impact on setting the value of the subject property.

The assessment routine 28' is similar to that shown in FIG. 3, but is modified as indicated by the prime to steps 52 and 54 in FIG. 14. Specifically, the assessment routine 28' differs from the routine 28 in that **the "assessed value" of the subject and comparable properties are used to ultimately determine the comparative values**. Again, these values may be downloaded directly from the database 18 with the other data or input via the keyboard 12 manually. A price/assessment percentage value factor is computed in step 52' for each comparable property, much the same way as the price tax factor in routine 28 Next, in step 54', a net value for each comparable property is computed by multiplying the price/assessment percentage factor for each comparable property by the assessed value of the subject property. Then, in steps 56 and 58, appreciation is accounted for on a pro rated basis in the same manner as routine 28 for sold comparable properties.

According to the third embodiment shown in FIG. 17-19, **the "phase value" of the subject and comparable properties are used, rather than property tax.** In the assessment routine 28" a price/assessment percentage factor is generated in step 52". Next, in step 54", a net value for each comparable property is computed by multiplying the price/assessment percentage factor for each comparable property by the (phase value) assessment percentage of the subject property. Then, in steps 56 and 58, appreciation is accounted for on a pro rated basis in the same manner as routine 28 for the sold properties.

In addition, the Examiner's statement that Hough discloses the use of statistical comparison techniques is also traversed. Specifically, Hough merely discloses an assessment routine, which does not compare properties, **but only determines an assessed value of a single property**. (Column 8, lines 34-63; Column 7, lines 43-60). Without conceding that the assessment routine can even be used in the present invention, this aspect of Hough does not in fact disclose what the Examiner alleges.

Applicant also disagrees with the Examiner that the only difference between Hough and the present invention is the use of data. As described below, however, even if the only difference was the type of data, this application is not at all shown or suggested by the prior art, and must be provided patentable weight. Therefore, even if the Examiner is correct, the claimed invention patentably distinguishes over Hough and Pakes.

Applicant also disagrees with the Examiner that the "kind of data" does not affect the functioning of the system. On the contrary, it is the specific data that provides the estimated intellectual property value and/or worth indicator of the present invention.

Applicant also disagrees that having Hough would motivate one of ordinary skill to other properties for valuation. On the contrary, the Hough system would not at all work in an intellectual property valuation system. Further, Hough is not at all analogous to an intellectual property audit system. Accordingly, for these reasons, Applicant respectfully requests withdrawal of the present rejection.

In addition, Applicant disagrees with the Examiner's statement that determining an estimated value of intellectual property "would have been sought after" from Hough. Actually, **Hough makes no mention of intellectual property and would not at all work in the present invention**. Withdrawal of the rejection is also respectfully requested for these reasons as well.

Applicant also disagrees with the Examiner's statement that the motivation would have been to obtain data to make a better assessment of estimating the value. There is no indication, except the description in the present application, that this type of data can be used to obtain a better valuation. The Examiner is clearly using the present application and claims as a template and hindsight to try to alter Hough to even remotely resemble the presently claimed invention. Accordingly, Applicant respectfully asserts that the **Examiner has failed to provide any motivation** for altering Hough, and even if combined with Pakes, the proposed combination does not show or suggest the combination of features recited in the claims, when each claim is considered as a whole.

Regarding the Examiner's statement that Hough considers attributes of real property, Applicant does not believe this is at all relevant to the presently claimed invention. As described below in detail, the **Hough system merely values real property using standard market accounting techniques, e.g., using real estate taxes as a comparison**. The present invention does more than implement current accounting techniques, as described herein.

Applicant also disagrees with the Examiner that related information would have been sought in an intellectual property valuation. What related information?

With regard to the Examiner's statement that it would have been obvious from Hough to use frequency of citation information, again Applicant does not agree that Hough can be used in this manner to support a rejection based on "blind motivation" and/or "blind modification" of Hough. **Applicant disagrees and requests the Examiner to provide a prior art reference describing this feature in the context of intellectual property valuations or an affidavit**

under 37 C.F.R. Section 1.104(d)(2) providing details of why it would have been obvious. In the absence of either, Applicant requests withdrawal of this rejection.

With regard to the Examiner's statement that Hough uses weighing techniques for different variables, Applicant disagrees. The Examiner has failed to cite any portion of Hough that recites these features. **Applicant disagrees and requests the Examiner to provide a prior art reference describing this feature in the context of intellectual property valuations or an affidavit under 37 C.F.R. Section 1.104(d)(2) providing details of why it would have been obvious. In the absence of either, Applicant requests withdrawal of this rejection.**

With regard to the Examiner's statement that Hough performs the valuation independent of accounting techniques, Applicant disagrees because, as described below, Hough actually uses standard accounting techniques that are used for real and tangible property. It is these accounting techniques that the present invention may leverage and/or employ as just one optional component in the intellectual property valuation of the present invention.

Applicant also disagrees that curve fitting techniques are well know with respect to the claimed combination of an intellectual property valuation system and/or method. **Applicant disagrees and requests the Examiner to provide a prior art reference describing this feature in the context of intellectual property valuations or an affidavit under 37 C.F.R. Section 1.104(d)(2) providing details of why it would have been obvious. In the absence of either, Applicant requests withdrawal of this rejection. <u>This is Applicant's fourth request for an affidavit.</u>**

With respect to claims 25, 38, 52, Applicant submits that the Examiner has not provided any basis for this rejection. Specifically, mere reference to figures 12 and 15-18 of Hough (i.e., "note figures 12 and 15-18") do not inform the Applicant of anything. Applicant requests the Examiner to withdraw the rejection or provide detailed reasoning relating to this rejection of these claims. **<u>This is Applicant's third request for additional information.</u>**

With respect to claims 26-27, 39-40 and 53-54, Applicant submits that the Examiner has not provided any basis for this rejection. Specifically, mere reference to columns 1-2 and column 4 of Hough (i.e. "note column 1 . . . . of Hough") do not inform the Applicant of anything. Applicant requests the Examiner to withdraw the rejection or provide detailed reasoning relating to this rejection of these claims. **<u>This is Applicant's second request for additional information.</u>**

Overall, **the Examiner admits** that Hough is limited to a real property system and provides no information or prior art basis for concluding any applicability of Hough to the present invention. Besides impermissible hindsight and what Applicant believes is a misinterpretation and stretching of Hough based on reasoning that cannot work in the present invention, the Examiner also appears to be simply modifying the prior art in any manner to arrive at the present invention, akin to the obvious to try standard that has been rejected by the courts. For example, the CCPA, precedent for the Patent Office, has held in ***In re Lindell***, 155 USPQ 521, 523 (C.C.P.A. 1967):

> Accordingly, we have criticized the "obvious to try" test on several recent occasions. . . .
>
> Furthermore, application of the "obvious to try" test would often deny patent protection to inventions growing out of well-planned research which is, of course, guided into those areas in which success is deemed most likely. These are, perhaps, the obvious areas to try. But resulting inventions are not necessarily obvious. Serendipity is not a prerequisite to patentability. Our view is that "obvious to try" is not a sufficiently discriminatory test.

In addition, the Examiner has failed to provide any basis for which the modifications of Hough could even work with even a minimal amount of expectation of success. As stated by the CCPA in ***In re Rinehart***, 189 USPQ 143, 148 (C.C.P.A. 1976):

> The view that success would have been "inherent" cannot, in this case, substitute for a showing of reasonable expectation of success.

Accordingly, for these reasons as well, Applicant respectfully requests withdrawal of this rejection.

III. All Claim Limitations Must Be Provided Patentable Weight

The Examiner again maintains that the claimed features of the present invention relating to "intellectual property" need not be provided any weight. Instead, the Examiner resorts to a real property estimator that cannot be used in the present invention, and if so, would render the present invention inoperable.

Applicant respectfully disagrees. The Manual of Patent Examining Procedure (MPEP) specifically states at Section 2173.05(g), copy enclosed, the following:

> A functional limitation is an attempt to define something by what it does, rather than by what it is (e.g., as evidenced by its specific structure or specific ingredients). There is nothing inherently wrong with defining some part of an invention in functional terms. . . .
>
> **A functional limitation must be evaluated and considered, like any other limitation of the claim, for what it conveys to a person of ordinary skill in the pertinent art in the context in which it is used.** A functional limitation is often in used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient or step.

In addition, the Federal Circuit has confirmed that a **data structure** was statutory subject matter and **provided the data structure patentable weight** over the prior art. The data structure in *In re Lowry*[1] involved the storage, use, and management of information. In holding that the data structure should be afforded patentable weight, the Federal Circuit stated:

> More than a mere abstraction, the data structures are specific electrical or magnetic structural elements in a memory. . . . In short, Lowry's data structures are physical entities that provide increased efficiency in computer operation. They are not analogous to printed matter. The Board is not at liberty to ignore such limitations.[2]

Thus, *Lowry* held that the data structures are to be provided patentable weight.

The application of patentable weight to data was further extended by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*[3] The invention was a message record for long-distance telephone calls that was enhanced by adding a primary interexchange carrier (PIC) indicator. The Federal Circuit noted that the inquiry as to whether an invention including a mathematical algorithm is statutory subject matter focuses on whether the mathematical

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[1] *In re* Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

[2] *Id.*, 32 USPQ2d at 1035.

[3] AT&T Corp. v. Excel Communications, Inc., 172 F.3d 1352, 50 USPQ2d 1447, 1450 (Fed. Cir.), *cert. denied.* 528 U.S. 946 (1999).

algorithm is applied in a practical manner to produce a useful result. According to the Federal Circuit:

> [I]t is now clear that computer-based programming constitutes patentable subject matter so long as the basic requirements of 101 are met. . . . [T]he focus is understood to be not on whether there is a mathematical algorithm at work, but on whether the algorithm-containing invention, as a whole, produces a tangible, useful, result.[4]

Thus, the *AT&T* decision illustrates that the only inquiry the reviewing court need make is whether the algorithm produces a tangible and useful result. Accordingly, since **the Board has already indicated that the present invention provides such a result** that is statutory subject matter, Applicant respectfully submits that all claims must be provided patentable weight for all limitations recited therein.

IV. Prior Art Teaches Away from Examiner's Proposed Combination

Without conceding that Hough and Pakes disclose any of the combination of features in the presently claimed invention, **the Examiner admits that Hough does not disclose the application of intellectual property**. Applicant respectfully submits that there is no suggestion to modify Hough to apply in intellectual property. In fact, the prior art teaches away from modifying standard real estate valuations in the intellectual property field.

Specifically, Pakes discloses the following at Page 755:

> This paper presents and then estimates a model, which allows us to **recover the distribution of returns from holding patents** at each age over the lifespan of patents **from information on patent renewals**.

Thus, **Pakes relates to using patent renewals to determine an estimate of distribution of returns**, and therefore, Applicant respectfully submits that **one of ordinary skill in the art**

[4] *Id.*, 50 USPQ2d at 1454.

would not have even been led to Pakes, particularly since Pakes is not at all related to the presently claimed invention.

In addition, Pakes states on Page 756:

> Methodologically, **the major innovation in this paper** is that it does not assume that the sequence of returns that will accrue to the patent if it is to be kept in force is known with certainty at the time the patent is applied for.

Thus, this portion of Pakes actually **teaches away from the present invention** and merely teaches a method of determining whether patents that have been renewed may have alternative uses. Specifically, on page 756, Pakes postulates the following: "**An agent who acts optimally will pay the renewal fee only if the sum of the current returns plus the value of this option exceeds the renewal fee**." Pakes teaches nothing about valuing an intellectual property portfolio.

As an aside, **Pakes is flawed** because it does not consider that money that can be used to renew patents, may alternatively be used for other purposes that might obtain a greater return. Thus, it is highly possible that valuable patents were never renewed because the owner had better uses of the money, rather than using it to renew patents that might have had a significant return, but not a return that would be better than the uses of the money by the patent owner. Under these circumstances, Pakes actually assumes that patent owners that renew the patents, do so without regard to limitations of resources. Thus, it is highly possible that the Pakes methodology places a premium or is skewed in favor of patent owners that **do not know how to use their limited resources**, except for paying patent renewals. Thus, **Pakes may actually be skewed for patent owners** that do not know how to effectively utilize their resources, and can actually result in incoorect assumptions on what patents are worthwhile to renew. Pakes also neglects the fact that many patent owners may not have the necessary funds to pay for renewal fees. Thus, overall, **Pakes cannot be used** at all to estimate the value of the intellectual property itself. More

specifically, **patents that have not been renewed are worth nothing**. Therefore, Pakes methodology cannot be used in evaluating the value of the intellectual property – **it can only be used to assume that patents that have been renewed might have some value over patents that have not been renewed**.

In addition, there is **no valuation being performed in Pakes**, and there is no concept that patents and/or portfolios may include indicators that can be used in assessing value. That is, Pakes uses external data, i.e., the renewals fees, to determine whether there may be additional uses of the patents to justify paying the renewal fees. Pakes does not value patent portfolio, but attempts to uncover additional **uses that might create additional returns** that justify paying **renewal fees**.

Pakes also assumes that payment of the renewal fees must be based on a direct correlation to economic return that fully supports the renewal fee payments. However, Pakes **does not even consider** that there may be a strong percentage of renewal fees that are paid because the incremental cost to the owner is not significant with respect to the cost already incurred in obtaining the patent. In addition, Pakes does not consider that renewal fees may be paid even if the patents represent a losing proposition because the cost of the renewal might not be considered significant to the owner. Pakes further does not consider that the patents themselves may not have direct revenue uses, but might be related to existing income streams that justify the renewal fees, even though the patents themselves do not support the renewal fees.

In addition, as remarked in the previous Amendment, Gordon and Parr highlight the differences between real property and intellectual property in their **2005 edition** on pages 142-43:

> PROPERTY DEFINITION: One might imagine that the task of defining a property to be appraised would not loom large, compared to other requirements of the process. Most readers may think of property definition as being the same as a physical description. To be sure, that is a part of it. In order to express an opinion about the value of a plot of land,

one must determine its boundaries and area. We must also know something about its physical character-whether it is flat, hilly, dry or wet, and so forth. . . .

The asset we are really appraising is the right to use the property, not its physical embodiment. We therefore must define not only the physical nature of the property but also the rights that will be the basis of the future economic benefits. **There is obviously a great difference in value** between the full right of ownership to a machine and the right to use the machine for three years in the manufacture of a specific product.

We will be discussing these factors in greater detail when we present the **subject of intellectual property exploitation**.

Accordingly, since the prior art teaches away form the present invention, and since the Examiner has not provided any motivation or suggestions to modify Hough in the area of intellectual property with Pakes, Applicant respectfully submits that the claimed invention is patentable over Hough combined with Pakes. Withdrawal of this rejection is respectfully requested.

IV. Invention Still Patentable Over Examiner's Proposed Combination

Even if the Examiner's proposed combination is made, Applicant submits that the modified Hough prior art with Pakes does not render the presently claimed invention obvious. Specifically, the Examiner states that the "only difference between the claimed invention and the teachings of Hough is the type of data being claimed." As explained above, this admission by the Examiner should be sufficient in of itself to render the currently claimed invention patentable. In any event, however, the claims still recite features not shown or suggested by Hough and Pakes. For example, claim 15 recites the following:

A computer assisted process for determining an estimated value of an intellectual property portfolio, the process comprising the steps of:

(a) storing, by a computer, first objectively determinable characteristics of representative intellectual property portfolios and objectively determinable values

corresponding to each of the representative intellectual property portfolios, the first objectively determinable characteristics and the objectively determinable values forming a baseline against which to assess the estimated value of the intellectual property portfolio;

(b) analyzing the intellectual property portfolio to determine second objectively determinable characteristics of the intellectual property portfolio to be estimated;

(c) deriving first information representing the second objectively determinable characteristics of the intellectual property portfolio to be estimated responsive to said analyzing step (b);

(d) retrieving second information representing the first objectively determinable characteristics and the objectively determinable values of the representative intellectual property portfolios; and

(e) comparing the first information received from said deriving step (c) to the second information received from said retrieving step (d) producing an estimated value of the intellectual property portfolio when the first information of the intellectual property portfolio is statistically similar to the second information of one of the representative intellectual property portfolios.

The proposed combination by the Examiner does not at all suggest many of the above features, in combination. Without conceding that Hough and Pakes shows any of the features and elements of the presently claimed invention, **neither Hough or Pakes shows or suggests**, for example, the claimed feature of "the first objectively determinable characteristics and the objectively determinable values forming a baseline against which to assess the estimated value of the intellectual property portfolio." In addition, **neither Hough or Pakes shows or suggests**, "deriving first information representing the second objectively determinable characteristics of the intellectual property portfolio to be estimated." **In addition, either Hough or Pakes shows or suggests**, deriving information from real estate to be estimated. That is, Hough does not obtain its information from the real estate itself, whereas **in the present invention the information is derived from the intellectual property**.

Further, **neither Hough or Pakes shows or suggests**, "comparing the first information received from said deriving step (c) to the second information received from said retrieving step (d) producing an estimated value of the intellectual property portfolio." There is no disclosure in Hough of comparing information to produce the estimate value. As described above, Hough merely discloses an assessment routine which does not compare properties, but only determines am assessed value **of a single property**. (Column 8, lines 34-63; Column 7, lines 43-60). Without conceding that the assessment routine can even be used in the present invention, this aspect of Hough does not in fact disclose what the Examiner alleges.

Accordingly, for these exemplary reasons, as well as the fact that the Examiner has not provided any basis that the combination of limitations recited in the claims is shown or suggested by Hough or **Pakes**, Applicant respectfully requests that the present rejections be withdrawn.

CONCLUSION

Applicants respectfully submit that, as described above, the cited prior art does not show or suggest the combination of features recited in the claims. Applicants do not concede that the cited prior art shows any of the elements recited in the claims. However, Applicants have provided specific examples of elements in the claims that are clearly not present in the cited prior art.

In addition, each of the combination of limitations recited in the claims includes additional limitations not shown or suggested by the prior art. Therefore, for these reasons as well, Applicants respectfully request withdrawal of the rejection.

Further, there is no motivation shown to combine the prior art cited by the Examiner, and even if these teachings of the prior art are combined, the combination of elements of claims,

when each is interpreted as a whole, is not disclosed in the Examiner's proposed combination. As the combination of elements in each of the claims is not disclosed, Applicants respectfully request that the Examiner withdraw the rejections.

Applicants strongly emphasize that one reviewing the prosecution history should not interpret any of the examples Applicants have described herein in connection with distinguishing over the prior art as limiting to those specific features in isolation. Rather, Applicants assert that it is the combination of elements recited in each of the claims, when each claim is interpreted as a whole, which is patentable. Applicants have emphasized certain features in the claims as clearly not present in the cited references, as discussed above. However, Applicants do not concede that other features in the claims are found in the prior art. Rather, for the sake of simplicity, Applicants are providing examples of why the claims described above are distinguishable over the cited prior art.

Applicants wish to clarify for the record, if necessary, that the claims have been amended to expedite prosecution. Moreover, Applicants reserve the right to pursue the original subject matter recited in the present claims in a continuation application.

Any narrowing amendments made to the claims in the present Amendment are not to be construed as a surrender of any subject matter between the original claims and the present claims; rather merely Applicants' best attempt at providing one or more definitions of what the Applicants believe to be suitable patent protection. In addition, the present claims provide the intended scope of protection that Applicants are seeking for this application. Therefore, no estoppel should be presumed, and Applicants' claims are intended to include a scope of protection under the Doctrine of Equivalents.

Further, Applicants hereby retract any arguments and/or statements made during prosecution that were rejected by the Examiner during prosecution and/or that were unnecessary to obtain allowance, and only maintains the arguments that persuaded the Examiner with respect to the allowability of the patent claims, as one of ordinary skill would understand from a review of the prosecution history. That is, Applicants specifically retract statements that one of ordinary skill would recognize from reading the file history were not necessary, not used and/or were rejected by the Examiner in allowing the patent application.

For all the reasons advanced above, Applicants respectfully submit that the rejections have been overcome and should be withdrawn.

For all the reasons advanced above, Applicants respectfully submit that the Application is in condition for allowance, and that such action is earnestly solicited.

Respectfully submitted,

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